



**UNAUDITED**  
**Financial Statements**  
**SECOND QUARTER**  
**September 30, 2020**



LASCO Manufacturing Limited

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## Report to the Shareholders

SIX MONTHS ENDED SEPTEMBER 30, 2020

The Board of Directors of LASCO Manufacturing is pleased to present the unaudited results for the second quarter ended September 30, 2020.

### Quarter Results:

**Revenue** for the second quarter ended September 30, 2020 was \$2.27B or a 10.5% increase on the revenue (\$2.06B) of the corresponding period of the prior year. **Gross Margin** improved to 38.6% up from 36.6% in the same period of the previous year, the margin improvement reflects continued gains in overall manufacturing efficiencies.

**Administrative Expenses** were \$357 million 9% less than that in the previous year resulting in an expense to sales ratio of 15.7% compared to 19% in the same period of the prior year.

**Operating Profit** for the period was \$507.7 million compared to \$359.2 million realized in the same quarter of the last year.

The Net Profit out-turn for the period was \$395.6 million or an increase of 41 % on the net profit for the corresponding quarter of the prior year.

### Six Months Results:

For the **Six months** ended September 30, 2020, **Revenue** was \$4.1B or 7% higher than the \$3.8B achieved in the corresponding period of the last year. Operating Profit was \$914.6 million versus \$714 million in the prior year with **Net Profit** in the current year being \$737 million or 31% higher than the net profit realized in the corresponding six months of the prior year.

Capital Investments were primarily focused on the continued build out of the expansion of the powders manufacturing infrastructure and some technology up grades of existing lines.

### Interim Dividend

An interim dividend of \$0.0607 per share totaling \$250.75 million was paid to shareholders on record at the close of business at July 10, 2020.

### Balance Sheet

Total Assets at the end of September 2020 were \$10.1B an increase of 13% over the same period of the previous year with current assets being \$3.3B or 48% above the same period of the prior year. Trade and other receivables were \$2.2B, marginally above the \$2.1B of the prior year, while trade payables were \$1.1B an increase of 31% when compared to September of the previous year. Cash and bank balances inclusive of short term investments stood at \$1.62B while long term investments were \$221 million.

### **Corporate Social Responsibility**

Consistent with our philosophy of giving back and supporting communities the company continued to sponsor and execute its CSR programmes during the period with adaptations and modifications to comply with the Covid-19 protocols. The main ones included:

Partnering with the Nurses Association of Jamaica (NAJ), LASCO Distributors and The Lasco Chin Foundation in activities to celebrate International Nurses Day (May12, 2020)and collaboration in commemorating Nurses' Week via an hybrid Awards service at the Webster Memorial Church on Sunday, July 19<sup>th</sup>. Eighty Nurses from the three Regional Health Authorities were presented with Lasco sponsored Founder's Day Awards for outstanding service.

In addition, arising from the Covid -19 pandemic, we have expended considerable resources to assist and care for affected communities and individuals, both financially and in-kind, collaborating with Foundations, NGOs, Local Authorities, Churches and Community groups.

### **Covid -19 impacts/Outlook**

Over the last six months we have been navigating the pandemic, protecting the health and well-being of our people, instituting measures to protect the supply chain and ensuring prudent cash management complemented with aggressive cost management. Strict adherence to hygiene and other protocols have been maintained and will continue going forward. The company is aware of, and is constantly monitoring, the impacts on consumer behaviour, consumption patterns and work in general and remain proactive, flexible and agile in responding to the changes.

We thank our hard-working team members for their dedication, application and initiative and our customers, shareholders and other stakeholders for their continued confidence and support.

Yours sincerely,

**LASCO MANUFACTURING LIMITED**



.....  
James E. D. Rawle  
**Managing Director**

**LASCO Manufacturing Limited**

## Statement of Comprehensive Income

For the six months ended September 30, 2020

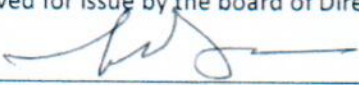
*Unaudited and expressed in J\$'000*


	Sept 30, 2020	Sept 30, 2019	6 Months to Sept 30, 2020	6 Months to Sept 30, 2019
Revenue	2,276,085	2,060,829	4,124,159	3,848,144
Cost of Sales	<u>(1,395,572)</u>	<u>(1,306,611)</u>	<u>(2,523,487)</u>	<u>(2,426,035)</u>
<b>Gross Profit</b>	<b>880,513</b>	<b>754,218</b>	<b>1,600,672</b>	<b>1,422,109</b>
<b>Gross Margins %</b>	<b>39%</b>	<b>37%</b>	<b>39%</b>	<b>37%</b>
Other Operating Income / (Loss)	(15,853)	(3,204)	(18,176)	13,914
Operating Expenses	<u>(356,905)</u>	<u>(391,800)</u>	<u>(667,840)</u>	<u>(721,994)</u>
Profit from Operations	<b>507,755</b>	<b>359,214</b>	<b>914,656</b>	<b>714,029</b>
Finance Costs	<u>(15,567)</u>	<u>(21,905)</u>	<u>(31,829)</u>	<u>(53,960)</u>
<b>Profit before Taxation</b>	492,188	337,309	882,827	660,069
Taxation	(96,524)	(57,164)	(145,353)	(97,509)
<b>Total Comprehensive Income for the period</b>	<b>395,664</b>	<b>280,145</b>	<b>737,474</b>	<b>562,560</b>
<b>Number of Stock units in Issue</b>	4,130,913	4,105,263	4,130,913	4,105,263
<b>Earnings per Stock</b>	0.10	0.07	0.18	0.14

**LASCO Manufacturing Limited**  
**Statement of Financial Position**  
**as at September 30, 2020**

	SEP-20 UnAudited	SEP-19 UnAudited	MAR-20 Audited
	J\$'000	J\$'000	J\$'000
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	4,512,173	4,677,639	4,629,176
Capital Work in Progress	404,221	381,511	341,894
Long Term Investment	220,690	275,000	170,690
<b>Total Non-Current Assets</b>	<b>5,137,084</b>	<b>5,334,150</b>	<b>5,141,760</b>
<b>CURRENT ASSETS</b>			
Inventories	1,114,146	961,680	1,154,280
Trade & Other Receivables	2,242,320	2,145,842	2,119,864
Taxation Recoverable	-	-	-
Directors Current Accounts	-	-	-
Short Term Investments	214,227	98,124	97,937
Cash and Bank Balances	1,406,647	401,464	1,354,148
	4,977,339	3,607,110	4,726,229
<b>CURRENT LIABILITIES</b>			
Trade Payables	1,148,786	877,664	1,420,654
Bank Overdraft	-	-	-
Current Portion of Long Term Loan	496,230	484,176	496,230
	1,645,016	1,361,840	1,916,884
<b>Net Current Assets</b>	<b>3,332,323</b>	<b>2,245,270</b>	<b>2,809,345</b>
	8,469,406	7,579,420	7,951,105
<b>Financed by:</b>			
Share Capital	550,887	376,413	550,888
Other Reserve	186,828	87,607	186,828
Retained Earnings	5,911,293	5,180,362	5,180,358
Fair Value Reserve	(148,690)	-	(148,690)
Current Earnings	737,474	562,560	981,682
	7,237,791	6,206,942	6,751,066
<b>Non-Current Liabilities</b>			
Long Term Loan	545,273	807,142	548,694
Deferred Taxation	686,345	565,336	651,345
	8,469,409	7,579,420	7,951,105

Approved for issue by the board of Directors on November 5, 2020 and signed on its behalf by:

  
 Hon. Lascelles A. Chin, O.J., C.D., LLD (Hon. Causa)  
 Executive Chairman

  
 James E D Rawle  
 Managing Director

**LML STATEMENT OF CASH FLOWS**

For the period ended September 30, 2020

Unaudited and expressed in JS'000

<i>STATEMENT OF CASH FLOWS</i>	<i>YTD SEP-20 JS'000</i>	<i>YTD SEP-19 JS'000</i>
Cash Flows from Operating Activities		
Operating Activities		
Profit /(Loss) for the period	737,474	562,560
Depreciation	134,397	130,508
Interest Income	(4,526)	(3,407)
Dividened Income	(5,256)	-
Effect of exchange rate translation	-	-
Stock options - value of services expensed	-	-
Loss on disposal of property, plant and equipment	26	-
Interest Expense	31,829	53,960
Taxation Expense	145,353	97,509
<b>Items not affecting cash</b>	<b>301,822</b>	<b>278,570</b>
(Increase) /Decrease in Current Assets		
Inventories	40,134	94,096
Trade & Other Receivables	(122,456)	(632,818)
Taxation paid	(30,235)	(23,627)
Payables	(351,989)	(41,213)
<b>Cash provided by operating activities</b>	<b>574,750</b>	<b>237,568</b>
Interest Received	4,526	3,407
Short Term Investments	(116,290)	(7,041)
Purchase of Investments	(50,000)	-
Acquisition of Property, Plant & Equipment	(79,749)	(116,434)
Proceeds from disposal of property, plant and equipmer	-	-
<b>Cash used in Investing Activities</b>	<b>(241,512)</b>	<b>(120,068)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest Paid	(31,829)	(53,960)
Loan Repayment	(53,421)	(213,913)
Share Issue	-	48,540
Proceeds from Loan	50,000	109,546
Long term investment in Stocks	-	(275,000)
Dividends Received	5,256	-
Dividends Paid	(250,746)	(249,970)
<b>Cash provided by /(used in) Financing Activities</b>	<b>(280,739)</b>	<b>(634,757)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>52,499</b>	<b>(517,257)</b>
Exchagnge gain on foreign cash balances		
Cash and cash equivalents at the beginning of the period	1,354,148	918,721
<b>Cash and cash equivalents at the end of the period</b>	<b>1,406,647</b>	<b>401,464</b>
<b>Comprised of:</b>		
Cash and Bank balances	1,406,647	401,464
Bank Overdraft	-	-
	<b>1,406,647</b>	<b>401,464</b>

**LASCO Manufacturing Limited**

## Statement of Changes in Shareholders' Equity

For the six months ended September 30, 2020

*Unaudited and expressed in J\$'000*

<b>2019</b>				
	Share Capital	Other	Retained	Total
	J\$'000	Reserve	Earnings	J\$'000
	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2019	327,874	87,607	5,430,332	5,845,813
Other Comprehensive Income				-
Share Issued	48,539			48,539
Payment of Dividends			(249,970)	(249,970)
Total Comprehensive Income for the period			562,560	562,560
<b>Balance as at September 30, 2019</b>	<b>376,413</b>	<b>87,607</b>	<b>5,742,922</b>	<b>6,206,942</b>
<b>2020</b>				
	Share Capital	Other	Retained	Total
	J\$'000	Reserve	Earnings	J\$'000
	J\$'000	J\$'000	J\$'000	J\$'000
Balance at 1 April 2020	550,887	186,828	6,162,040	6,899,755
Other Comprehensive Income		(148,690)		(148,690)
Payment of Dividends			(250,746)	(250,746)
Total Comprehensive Income for the period			737,474	737,474
<b>Balance as at September 30, 2020</b>	<b>550,887</b>	<b>38,138</b>	<b>6,648,768</b>	<b>7,237,792</b>



# LASCO Manufacturing Limited

Notes to the Financial Statements  
September 30, 2020

## 1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

- a. LASCO Manufacturing Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is at 27 Red Hills Road, Kingston 10 and it currently operates from leased premises at 38 ½ Red Hills, Kingston 10 and from premises at White Marl.
- b. The principal activities of the company are the manufacturing of soy-based products, juice drinks, water and export of various LASCO branded products.

## 2. SIGNIFICANT ACCOUNTING POLICIES:

- a. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the adopted interpretation of those standards by the International Accounting Standards Board and have been prepared under the historical cost convention. They are also prepared in accordance with provisions of the Jamaican Companies Act.
- b. The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31<sup>st</sup> March 2020.
- c. These financial statements are presented in Jamaican dollars unless otherwise indicated.

## 3. FINANCE COSTS

Finance costs are stated net of foreign exchange gains / losses

4. <u>TRADE &amp; OTHER RECEIVABLES</u>	<u>2020</u>	<u>2019</u>	
a. Trade Receivables	JA\$ '000	JA\$ '000	
1. Local	1,769,515	1,814,751	
2. Foreign	104,929	113,975	
b. Other Receivables	<u>367,876</u>	<u>217,116</u>	This comprises of prepayments made for capital goods & stock.
	2,242,320	2,145,842	

5. SHARE CAPITAL

	2020	2019
Authorized:-		
4,427,500,000 (2019 – 4,427, 500,000) ordinary shares of no par value		
Stated capital –		
Issued and fully paid –		
Number of ordinary shares		
4,130,913,151 (2019 – 4,105,263,151) ordinary shares of no par value	<u>550,887</u>	<u>376,413</u>

**LASCO Manufacturing Limited**

## Statement of Changes in Shareholders' Equity

For the six months ended September 30, 2020

*Unaudited and expressed in J\$'000*

<b>2019</b>				
	Share Capital	Other	Retained	Total
	J\$'000	Reserve	Earnings	J\$'000
		J\$'000	J\$'000	J\$'000
Balance at 1 April 2019	376,413	87,607	5,430,332	5,894,352
Other Comprehensive Income				-
Payment of Dividends			(249,970)	(249,970)
Total Comprehensive Income for the period			562,560	562,560
<b>Balance as at September 30, 2019</b>	<b>376,413</b>	<b>87,607</b>	<b>5,742,922</b>	<b>6,206,942</b>
<b>2020</b>				
	Share Capital	Other	Retained	Total
	J\$'000	Reserve	Earnings	J\$'000
		J\$'000	J\$'000	J\$'000
Balance at 1 April 2020	550,887	186,828	6,162,040	6,899,755
Other Comprehensive Income		(148,690)		(148,690)
Payment of Dividends			(250,746)	(250,746)
Total Comprehensive Income for the period			737,474	737,474
<b>Balance as at September 30, 2020</b>	<b>550,887</b>	<b>38,138</b>	<b>6,648,768</b>	<b>7,237,792</b>